

U.S. General Services Administration (GSA)

PRESIDENTIAL TRANSITION “HOT ISSUES” INFORMATION PAPER

SUBJECT: Transactional Data Reporting Implementation

1. BACKGROUND:

On June 23, 2016, the U.S. General Services Administration (GSA) issued a final Transactional Data Reporting (TDR) rule that will reduce unnecessary burdens on contractors and small businesses, and potentially save millions of dollars for the American taxpayer. The rule removes two of the most burdensome contractor reporting requirements for GSA contracts (the Price Reduction Clause and the Commercial Sales Practices Disclosure), replacing them with a requirement for contractors reporting transactional data to GSA. The information collected through the TDR will, for the first time, provide transparency into prices paid on GSA Schedules. This will help the acquisition workforce make smarter purchasing decisions and provide data to assist in negotiating future contracts. The rule will be implemented through a pilot program by the Federal Acquisition Service across GSA contract vehicles. If successful, the program will be further expanded.

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2. SCOPE AND EFFECT:

a. Impact on GSA's Customers:

- The TDR requirement will be applied to any new GSA government-wide acquisition vehicle outside the Federal Supply Schedules (FSS) program, where transactional data is not already collected through other methods.
- For the FSS program, the TDR requirement is being piloted through a phased implementation on eight existing Schedules. The TDR requirement will apply to all new contracts awarded and, for now, will be optional for current contractors.
- The rule removes some of the complex and burdensome tracking and disclosure requirements imposed on federal contractors -- the Commercial Sales Practices (CSP) disclosures and Price Reductions Clause (PRC).
- Under TDR, contractors report key procurement data; including prices paid, quantity, standard part number and product description.
- It enables the acquisition workforce to make smarter purchasing decisions and provide data to assist in negotiating future contracts. This allows for more attention to 'horizontal pricing' (the ability to compare one vendor's pricing to that of other vendors).

b. Impact on GSA's Customers:

- The TDR rule will equip category managers with information to make better buying decisions, improve demand management, and find other savings opportunities.

- GSA customers should benefit in the form of more competitive pricing, better demand management opportunities, and other means to achieve savings.
- GSA contractors will have the opportunity to pass along some of the savings resulting from the reduced compliance burden.

3. ACTION(S) PLANNED OR REQUIRED:

TDR is being implemented via a multi-layered phase-in process targeting eight Schedules and associated Special Item Numbers (SINs), which account for approximately 30% of GSA's FSS contracts and 43% of GSA Schedule sales volume. GSA will monitor the health of the TDR initiative through metrics, used to better inform category and strategic acquisition planning.

- The pilot will be evaluated against metrics including:
 - Changes in Price
 - Sales Volume
 - Small Business Participation
 - Macro use of TDR data by category managers and teams to create smarter buying strategies (consumption policies)
- ONE-YEAR of pilot experience before expansion or making TDR permanent FSS fixture
- Schedules will enter the pilot on rolling basis. At least 30-days prior to applying the pilot, vendors will be given notice on Interact (GSA's platform for exchanging info with Schedule vendors).
- New TDR requirements will be mandatory for new Schedule contracts after Schedules are included in the pilot. Existing vendors will be encouraged to enter the pilot via bi-lateral modification of their contracts.
- TDR data will be introduced to federal buyers in stages, starting with category managers, then FSS contracting officers, then agency ordering offices.
 - Each buying group will receive tailored training for proper TDR use.
 - Training stresses that prices paid information is just one information point that must be considered along with total cost, quantity discounts, performance levels, unique terms, schedule, and customer satisfaction, among other factors.
- GSA is amending its pricing instructions in the GSA Acquisitions Manual (GSAM) to place greater emphasis on price analysis when negotiating prices with Schedule vendors and, in particular, the need to specifically consider (i) offered prices on FSS or Governmentwide Acquisition Contract (GWAC) contracts for same/similar items/services, (ii) prices paid, as it becomes available under TDR, and (iii) commercial data sources providing publically available pricing information.
- After one year of implementation of the pilot, the GSA Senior Procurement Executive (SPE) will evaluate the pilot and determine whether the pilot should be expanded, maintained, or scaled back.

4. KEY STAKEHOLDER INTEREST:

This rule has the interest of multiple stakeholders including

- Customer Agencies
- Industry Associations such as the Coalition for Government Procurement and the Council of Defense Industry Associations (CODSIA)
- Office of Management and Budget (OMB)
 - Office of Federal Procurement Policy (OFPP)
 - OMB's GSA Budget Examiner
- Congressional Committees
 - Senate Homeland Security and Governmental Affairs Committee
 - Senate Small Business Committee
 - House Oversight and Government Reform Committee
 - House Small Business Committee
- Oversight
 - GSA Inspector General
 - General Accountability Office

5. FISCAL YEAR 2017/2018 BUDGET IMPACT:

The implementation to TDR has been funded within existing budget.